

EMPLOYEE TUITION ASSISTANCE POLICY

POLICY SCOPE: The following policy applies to current faculty, staff, and administration (hereinafter “employees”) at Southwestern University, certain retirees (hereinafter “retirees”) of Southwestern University, and to the bona fide spouses/dependents of those employees or retirees.

POLICY SUMMARY: Southwestern University offers tuition assistance to eligible employees and retirees, and to the bona fide spouses/dependents of employees or retirees, in order to defray the costs associated with enrollment in classes at the University. Assistance is available to employees, retirees or their spouses/dependents under the terms and conditions described below. This policy may from time-to-time be modified, deleted, or amended in the sole discretion of the University with or without prior notice.

POLICY SPECIFICATIONS: Employees, retirees and the bona fide spouses/dependents of employees or retirees must satisfy the following requirements in order to be eligible for tuition assistance:

Employees must:

1. have completed at least one (1) year of uninterrupted service to the institution;
2. must work at least 30 hours per week.
3. maintain the uninterrupted level of service as described in items #1 and #2 immediately
4. above for the full duration of the tuition assistance period; and
5. otherwise meet the academic eligibility requirements for admission to the University.

Retirees must:

1. have completed ten (10) years of uninterrupted employment at Southwestern University;
2. have retired from active employment at Southwestern University to an inactive employment status;
3. have worked at least 30 hours per week and
4. otherwise meet the academic eligibility requirements for admission to the University.

Spouses/dependents must:

1. otherwise meet the academic eligibility requirements for admission to the University; and
2. have been claimed as an exemption on the employee’s or retiree’s Federal Income Tax Return (Form 1040) for the tax year prior to the date of application for tuition assistance.

APPLICATION PROCESS: Eligible persons may apply for tuition assistance by submitting a written request to the appropriate member of the President's Senior Staff. If approved by the member of the President's Senior Staff, the application will be forwarded to the Financial Aid Office for further review. The Human Resources department reviews employee eligibility for this program. The applicant will be notified by the member of the President's Senior Staff of the outcome of the review process. Each application for spouse/dependent tuition assistance must include a copy of IRS Form 1040 for the tax year prior to the date of application

or a notarized statement indicating that the individual for whom assistance is sought is a bona fide spouse/dependent of the employee or retiree.

LEVEL OF ASSISTANCE: The tuition assistance provided by the University covers only the cost of tuition and fees. Room and board costs, books and other related costs are not covered by the assistance available under this policy.

ASSISTANCE PRORATION: The level of assistance provided by the University shall vary in proportion with the employment status of the employee. An employee who works at least 40 hours per week may apply for full tuition assistance as described herein for himself/herself or for his or her spouses/dependents. An employee who works between 30 hours but less than 40 hours per week may apply for assistance equivalent to 3/4 tuition. Those employees hired prior to July 1, 1996 who works at least 20 hours per week but less than 30 hours per week may apply for assistance equivalent to 1/2 tuition. An employee who works fewer than 30 hours per week is not eligible for tuition assistance for either himself/herself or his or her spouses/dependents.

The level of assistance provided by the University to eligible retirees and their spouses/dependents shall also vary in proportion with the employment status of the retiree during the majority of the qualifying ten (10) years of employment. The levels of eligibility shall be the same as those described immediately above for eligible employees and their spouses/dependents.

ASSISTANCE LIMITATIONS: The tuition assistance available under this policy has certain time and program limitations. Those limitations include, but may not be limited to, the following:

1. A maximum of 135 credit hours of tuition assistance is available to eligible applicants under this policy. The number of credit hours to which assistance can be applied will automatically be reduced by the number of credit hours transferred to the University from another institution of higher education.
2. Tuition assistance is not available for summer school sessions.
3. Holders of baccalaureate degrees are not eligible for tuition assistance unless they are seeking to fulfill teaching certification requirements. The University will consider a certification request only if the application contains proof of baccalaureate status and the need for certification.
4. A spouse/dependent student need not be seeking a degree at the University in order to be eligible for tuition assistance under this policy.
5. Eligible employees can receive tuition assistance for one course (3-4 credit hours) per semester.

6. Eligible spouses/dependents and retirees can receive tuition assistance for up to eighteen (18) credit hours per semester. Tuition assistance for additional hours per semester may be requested and will be considered on a case-by-case basis.
7. If an employee leaves the employment of the University at any time during which that employee or that employee's spouse/dependent is participating in the tuition assistance program, the tuition assistance to that employee or spouse/dependent shall cease at the end of the then current semester.
8. An employee may apply for tuition assistance for himself/herself only after previously receiving written approval to do so from his or her supervisor. Employees are permitted release time necessary to attend one three (3) or four (4) credit hour course. Employees need not receive supervisor permission in order to apply for tuition assistance for spouse/dependents.
9. Employees who are not actively employed at the University are not eligible for tuition assistance during their absence from active employment. Similarly, the spouses/dependents of these employees are not eligible for tuition assistance during the period of the employee's absence from active employment. For the purposes of this policy, employees on sabbatical leave or approved leave of absence are considered to be actively employed.
10. Faculty employees are not eligible for tuition assistance to cover the tuition associated with an undergraduate level course in an area related to their professional discipline.
11. The University reserves the right to limit the level of tuition assistance.

TAX RAMIFICATIONS: The University considered the tuition assistance offered under this program to be a non-taxable benefit to employees and their bona fide spouses/dependents under the provisions of Internal Revenue Code, Section 117(d). However, the employee and/or spouse/dependent participating in the program bears full responsibility of responding to any IRS inquiry into the taxability of the benefit in individual situations. The University does not intend with this policy, and more particularly with this paragraph, to offer counsel to employees and/or spouses/dependents regarding the taxability of this benefit in individual cases.

AUDITING COURSES: Eligible employees, retirees and/or spouses/dependents may audit courses free of charge as special students. In order to do so, permission must be granted by the professor who offers the course and by the Dean of the Faculty. In addition, employees must receive permission from a supervisor as described in Paragraph 8 above.

SPECIAL PROVISIONS: Appeals for exception to this policy, or any provision thereof, must be submitted in writing to the Office of the Dean of the Faculty. A committee appointed by the Dean of the Faculty shall review each appeal on its individual merit. The committee will recommend a course of action to the Dean of the Faculty, whose decision in the case of the appeal is final.

The following supplemental changes or amendments to the current tuition assistance policy are effective February 9, 2005:

The Employee Tuition Assistance Policy will be unchanged for dependents currently certified and enrolled in other colleges for the 2004-2005 academic year. For all others, the following changes are effective immediately:

1. Southwestern will limit the number of exports that may be certified each year. This change is required by, and the limits will be based on the information we receive from, the Tuition Exchange, Inc. program regarding the balance of our “imports” and “exports”. If the University must limit the number of exports that may be certified, the University will use continuous employment longevity as the criterion establishing a priority list of dependents to be certified.
2. A one (1) year waiting period for eligibility will continue to apply to current employees, subject to the limits expressed in number 1 above. All new employees beginning employment with Southwestern after February 9, 2005 will have a three (3) year waiting period for the Tuition Exchange, Inc. program benefit before they or their dependents will be eligible for the benefits, subject to the limits expressed in number 1 above.
3. Application Requirement for dependents as they begin their sophomore year in high school (or its equivalent for students being home schooled, the “Equivalent”): All employees must notify the Financial Aid department and complete the application for a Tuition Exchange benefit by September 1st of the year the dependent they wish to enroll begins his or her sophomore year in high school (or Equivalent).

In order to be eligible to apply for the benefit, the applicable one (1) or three (3) year waiting period would have to be met at the beginning of the first semester when the Tuition Exchange Inc. program benefit will be used.

This application requirement change will help the Financial Aid department plan and estimate the number of “exports” that can be offered each year under the Tuition Exchange, Inc. program.